



2019 Interim Results Presentation



August 2019

Content

Section I

2019H1 Business Review	-----	2
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Section II

Segment Review	-----	8
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Section III

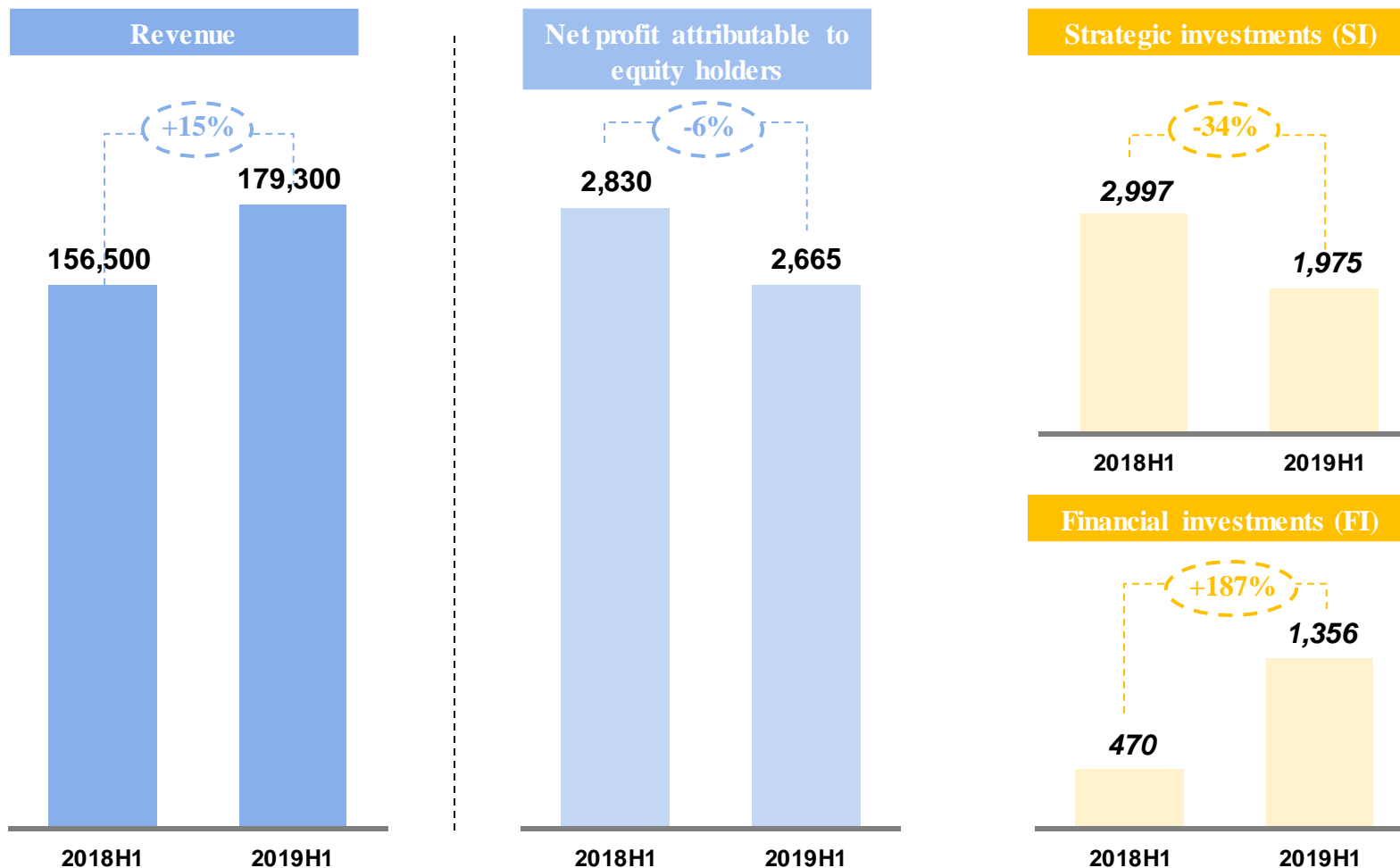
Financials	-----	14
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Appendix	-----	18
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Section I – 2019H1 Business Review

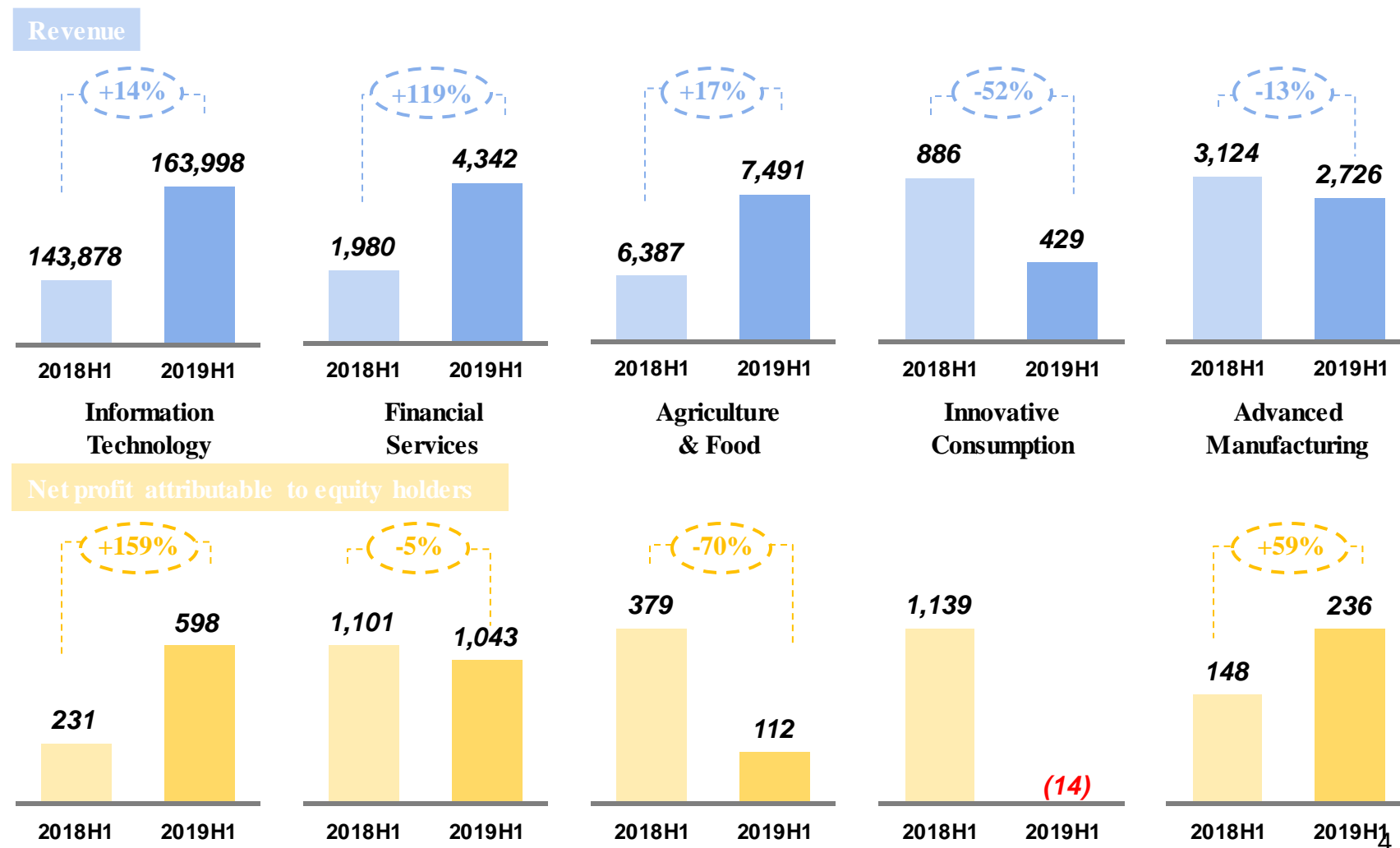
2019H1 Performance Overview

Despite the continued pressure from external environment and risks, Legend Holdings saw an expansion of its business in 2019H1. The revenue increased by 15% to RMB179,300 million during the Reporting Period. Strategic investments took the initiative in risk prevention and control, while financial investments picked up. Net profit attributable to equity holders of the Company dropped by 6% to RMB2,665 million.



SI: Business Expansion with Solid Fundamentals

2019H1 witnessed an expansion in revenue from strategic investments, the 5th consecutive reporting period with revenue growth. The external environment is posing greater challenges to SI's profitability, especially from the domestic financing, foreign exchange, and the China-US trade friction. We have adopted measures to ensure the stability and safety of Legend Holdings and the portfolio companies, and the operation of SI has maintained sound fundamentals.



FI: Good Return with Increased Fair Value

During the Reporting Period, in the volatile capital market, FI on one hand completed a remarkable fundraising despite the poor conditions of the primary market; on the other hand, it strengthened portfolio management and resource recycling and contributed good cash inflow and fair value increase to Legend Holdings.



- During the Reporting Period, Legend Star invested in nearly 20 domestic and overseas projects, covering AI, biotech, new medical services, new consumption, etc. Over 30 projects under management had follow-on financing and 5 projects were exited.
- It consolidated its leading position in China's start-up investors and ranked top tier among angel and start-up investment institutions as evaluated by Zero2IPO and ChinaVenture.



- The total AUM exceeded RMB50,000 million. During the Reporting Period, Legend Capital raised over RMB7,800 million.
- During the Reporting Period, Legend Capital completed the investment in 13 new projects and exited from 22 projects fully or partially, contributing over RMB600 million of cash inflow. Besides, 6 portfolio companies got listed on domestic and overseas capital markets.
- Legend Capital plans to complete the final fundraising within 2019 for the 5th RMB growth fund, TMT RMB innovation fund, and 2nd RMB medical fund.



- The total AUM exceeded RMB80,000 million, and businesses include PE, real estate, public fund, hedge fund and innovative investment. During the Reporting Period, Hony Capital completed the fundraising of a new public fund and the a new delivery of the cultural industry fund.
- During the Reporting Period, the PE fund invested in 1 new project and exited from 12 projects; property fund invested in 5 projects and fully exited from 1 project. 2 invested projects got listed in the A-share market.

Stepped-up capital operation and IPOs

SI



A-share IPO

Date : 2019.4.25

Ticker : 300773.SZ

Funding : RMB1,330 mn



Asset Reorganization

Target : Australis Seafoods

Delivery date : 2019.7.2

Ticker : 300268.SZ

Funding : ~USD920 mn



A-share IPO

A-share SMEs Board,
Feedback from CSRC



A-share IPO

A-share Main Board,
Accepted by CSRC

FI



A-share IPO

Date : 2019.1.18

Ticker : 300761.SZ

Funding : RMB1,210 mn



A-share IPO

Date : 2019.1.28

Ticker : 300759.SZ

Funding : RMB5,030 mn



猫眼娱乐

H-share IPO

Date : 2019.2.4

Ticker : 01896.HK

Funding : HKD2,100 mn



中原特钢
ZYSCO

New A-shares to buy assets

Target : COFCO Capital

Date : 2019.2.22

Ticker : 002423.SZ

Volume : RMB19,524 mn



US IPO

Date : 2019.4.3

Ticker : RUHN.US

Funding : USD125 mn



luckin coffee | 瑞幸咖啡

US IPO

Date : 2019.5.18

Ticker : LK.US

Funding : USD561 mn



A-share IPO

Date : 2019.5.22

Ticker : 300779.SZ

Funding : RMB340 mn



万达电影
WANDA CINEMAS

New A-shares to buy assets

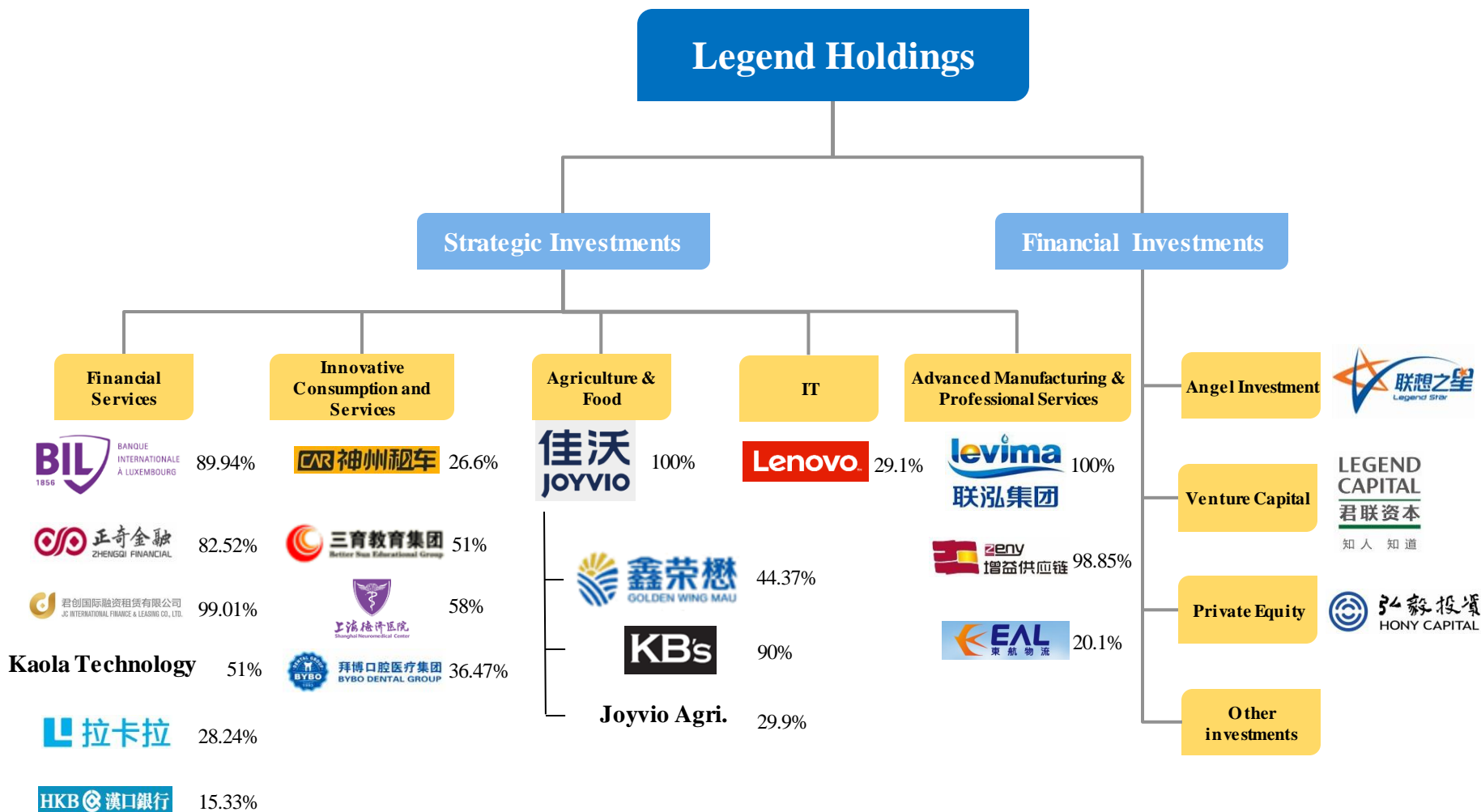
Target : Wanda Film

Date : 2019.5.27

Ticker : 002739.SZ

Volume : RMB10,524 mn

Our Investment Portfolio



Note: Major but not all portfolio companies are listed
as of June 30, 2019

Section II – Segment Review

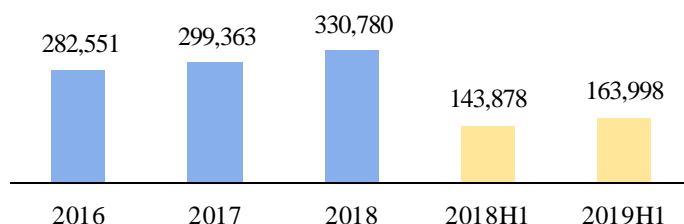
IT: Transformation Leads to Robust Growth

During the Reporting Period, Lenovo has leveraged its continued market share gain in the PCSD Business, as well as momentum in the new Intelligent Transformation initiatives. Revenue grew by 14% y-o-y to RMB163,998 million, and net profit attributable to equity holders of Legend Holdings grew by 159% y-o-y to RMB598 million.

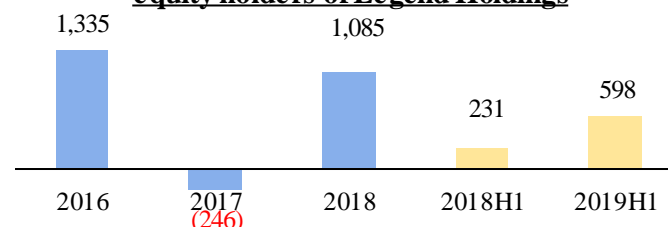
Lenovo pushed forward its Intelligent Transformation: Smart IoT + Smart Infrastructure + Smart Verticals.

Despite challenges from trade negotiations and tariff policies, Lenovo will leverage its extensive experience to strengthen its worldwide manufacturing capabilities and supply chain flexibility and secure its premium-to-market revenue growth with industry-leading profitability in PCSD. Despite a pullback in the industry, the trend of data growth has persisted and is expected to accelerate. Lenovo will take this opportunity to drive premium-to-market growth and build its DCG business as a full stack industry leader.

Revenue



Net profit / (loss) attributable to equity holders of Legend Holdings



Intelligent Devices Group

PC and Smart Device (PCSD)

- Record high market share of 25.1%, the fastest-growing among global top-five OEMs; double-digit revenue growth in Asia Pacific and North America.
- Stronger industry-leading profitability by better product mix and a higher attach rate for services; the latest quarterly pre-tax profit margin increased to 5.4%.

Mobile Business Group (MBG)

- Improved y-o-y profitability and remaining profitable, with stronger demand and profitability in Latin America and North America as core markets; revenue decline due to investments only in countries with potential for profitable growth.
- Continued execution on a localized strategy, a streamlined portfolio, and investing in innovations including 5G technology; MBG's long-term profitability likely to be boosted by core markets' continuous profits.

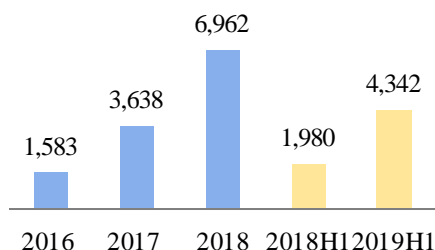
Digital Center Group

- Suffering from the industry-wide sluggish demand; revenue growth affected by the excessive inventory build-up by selective and sizable hyperscale users after last year's aggressive growth and the severe commodity price decline
- Continued investments to extend DCG's leadership as a full-stack data center provider and the most trusted data center partner; strategic direction in high-margin storage, services and SDI businesses; hyperscale business driven by enhanced in-house design capability.
- Losses considerably narrowed with a focus on profitability management; a sustainable and profitable business model in building.

Financial Services: Restructured under External Pressure

During the Reporting Period, the financial services segment recorded a revenue of RMB4,342 million, up 119% y-o-y, mainly due to consolidation of BIL and solid growth in financial leasing. Net profit decreased by 10% to RMB1,122 million, mainly as a result of falling profits from quasi-financial and innovative financial services in a gloomy economic environment. JC International Finance & Leasing, Lakala Payment and Hankou Bank recorded an increase in net profit, while BIL contributed incremental revenue and profit.

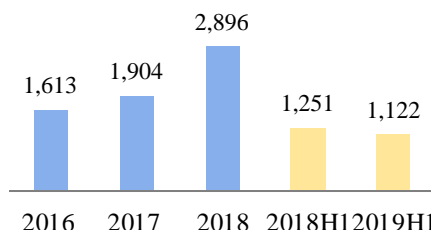
Revenue



“Retail, Corporate and Wealth Management” recorded good results

- **AUM:** EUR41,900 million, +6.1% (vs. 2018)
- **Balance of customer deposits:** EUR18,300 million, +5.8%
- **Balance of customer loans:** EUR14,000 million, +4.6%
- **Revenue:** EUR265 million
- **Net profit:** EUR45 million
- **Common Equity Tier 1 ratio:** 11.73%
- **Rating:** Fitch (F2 upgraded to F1), S&P (A-/Stable/A-2), Moody's (A2/Stable/P-1)

Net profit



It strategically reduced capital-based businesses and improved businesses quality at controllable risks.

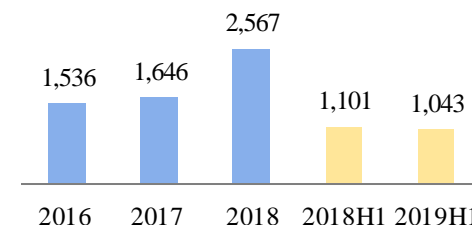
- **Revenue:** RMB736 million, -27% YoY adj.
- **Net profit:** RMB152 million, -61.6% YoY
- **Net assets:** RMB16,981 million, -2.0% (vs. 2018)

Kaola Technology

It reduced balance of loans and improved product mix facing regulatory restrictions.

- **Revenue:** RMB927 million, -10% YoY adj.
- **Net profit:** RMB68 million, -73% YoY
- **Net assets:** RMB10,770 million, +2.1% (vs. 2018)

Net profit attributable to equity holders of Legend Holdings



It kept growing fast thanks to strengthened efforts on business development and market expansion

- **Revenue:** RMB500 million, +13.4% YoY
- **Net profit:** RMB120 million, +26.3% YoY
- **Total assets:** RMB13 billion, +10.5% YoY
- **Balance of receivables:** RMB12.3 billion, +15.7% YoY



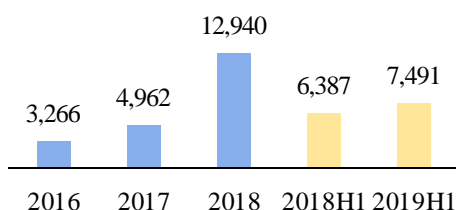
Larger number of transactions, less marketing expenses & improved revenue mix.

- **Revenue:** RMB2,496 million, -9.7% YoY
- **Net profit:** RMB360 million, +30.8% YoY
- **Transaction amount:** RMB1.7 trillion, -11% YoY

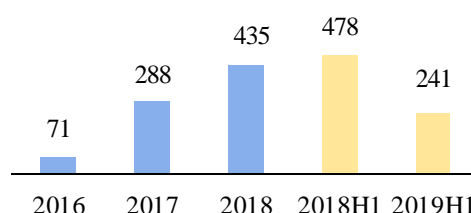
Agriculture and Food: Rapid Growth

During the Reporting Period, revenue grew by 17.3% y-o-y to RMB7,491 million, mainly due to the increase in revenue of Golden Wing Mau and Joyvio Agriculture. Net profit fell to RMB241 million, mainly due to last year's gain on equity restructuring of Funglian Group and goodwill impairment of Joyvio Agriculture, whose combined impact totaled RMB2.7 million. Huawen Food, in which Joyvio Group acquired a minority interest, filed for A-share IPO during the Reporting Period.

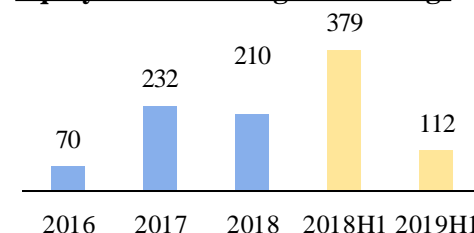
Revenue



Net profit/loss



Net profit attributable to equity holders of Legend Holdings



Fruit



- During the Reporting Period, due to China's fruit consumption upgrades and price hikes driven by shrinking local fruit output, Golden Wing Mau, focusing on quality fruits, registered fast growth in revenue as consumers' demand for imported quality fruits remained robust.
- The company stepped up marketing for its high-end fruit brand "Joyvio", seeing a steady rise in the market premium rate of Joyvio Blueberry and Joyvio Durian.
- In respect of supermarket and retailer service, the retail industry exerted greater efforts to sell fresh, quality and standardized food, and Golden Wing Mau gained a larger market share. In respect of distribution, Golden Wing Mau made a presence in 15 primary and secondary fruit markets in China, becoming the largest importer and distributor of kiwifruit, apples, blueberries, cherries and grapes.

Animal protein

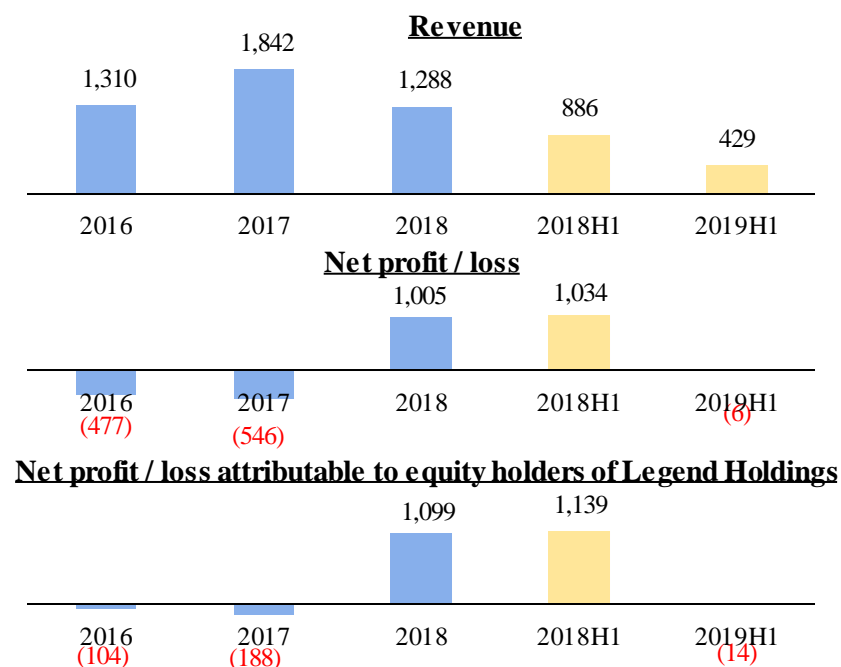


- During the Reporting Period, Joyvio Agriculture made major breakthroughs in implementing its "global resources + China's market" strategy. It acquired Chile's leading salmon company Australis Seafoods S.A., becoming the first Chinese company to acquire premium upstream salmon resources overseas. This move further cemented and substantially improved its control over rare premium upstream resources. With stable growth recorded in existing business, Joyvio Agriculture maintained its leading position as China's largest *pandalus borealis* importer and distributor, the largest pollock processor and supplier and an animal protein brand importer with full-channel layout.
- KB Food has been awarded the title of Best Seafood Supplier by Woolworths, Australia's largest supermarket chain operator, for three consecutive years. It covers over 90% of seafood wholesale channels in the eastern coast of Australia. Takari, a deep-sea shrimp trapping boat acquired at the end of last year, ran well with steady trapping activity.

Other Segments: Operating Efficiency + Capital Operation

The innovative consumption and services segment saw continued development and enhanced value of the existing business while seeking investment opportunities. It focused on niche markets and strengthened the two-wheel-drive model with financial investments. The decline in revenue during the Reporting Period resulted from the deconsolidation of Bybo Dental. Net profit shrank due to last years' gain of RMB1,287 million from the introduction of strategic investor in Bybo Dental.

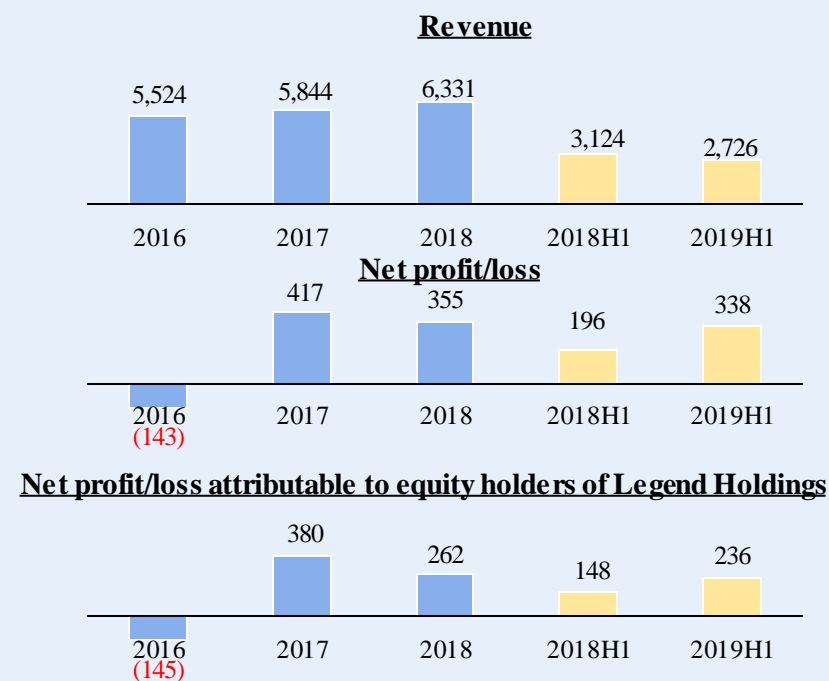
- **Better Sun Education:** Better Sun Education directly ran 111 kindergartens and 9 early education and training schools, with about 35,000 students enrolled. Despite its sensitiveness to pre-school policies, the company manifested sound fundamentals and steady operation. It recorded RMB291 million in revenue and RMB15 million in net profit during the Reporting Period.
- **Shanghai Neuromedical Center:** As a provider of clinical neurological services, it recorded RMB138 million in revenue during the Reporting Period, with reversing losses to net profits.
- **China Auto Rental (CAR):** The car rental business expanded with higher operating efficiency. Revenue increased by 22% y-o-y to RMB3,741 million. Net profit rose by 107% y-o-y to RMB279 million.
- **Bybo Dental:** Operations continued to improve. Revenue during the reporting period grew by 18% y-o-y to RMB936 million, with the loss further narrowed.



(RMB million)

The advanced manufacturing and professional services will focus on China's most needed materials, technologies, manufacturing and services, continuously develop frontier areas while driving development of existing businesses, and boost synergies to build global leading firms. Revenue during the Reporting Period fell mainly due to business contraction of Zeny Supply Chain; net profit grew by 72% mainly due to the profit growth of Levima Group.

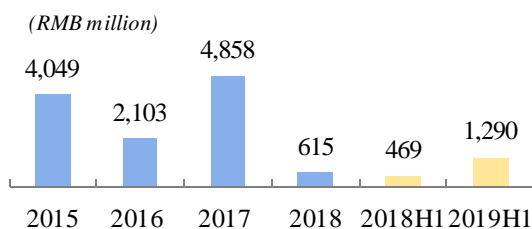
- **Levima Group:** Levima Group maintained its leading position in its niche market. Revenue dropped to RMB2,672 million due to price cuts of downstream products, while net profit rose by 98% to RMB242 million driven by optimized product mix and enhanced operations. Levima Advanced Materials filed for A-share IPO during the Reporting Period.
- **EAL:** Facing RMB depreciation, elevated jet fuel price and Sino-US trade frictions, etc., EAL boosted operating efficiency by providing efficient and quality services. It filed for A-share IPO during the Reporting Period.



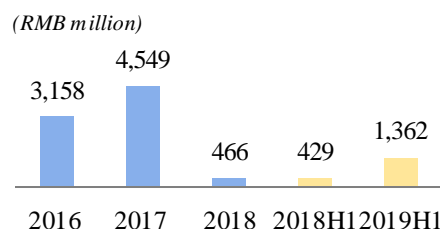
FI: Improved Earnings with Focus on Resource Recovery

Our financial investments continued to bear the impact from the secondary market fluctuations on fair value and distributed earnings. During the Reporting Period, we paid greater attention to the improvements on portfolio fundamentals and also pursued project exit and resources recovery at appropriate capital market window. Despite the weak primary market, our fund management platform is well recognized among investors in terms of its industry chain deployment, diversified allocations and integrated investment management. We completed a number of large fundraisings in an unfavorable environment, and investment income and profit increased markedly during the Reporting Period.

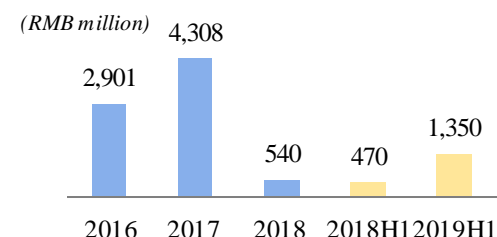
Investment income and gains



Net profit



Net profit attributable to equity holders of Legend Holdings



Angel Investment



- Legend Star managed five funds with over RMB2,000 million in total AUM.
- Investments covered an aggregate of over 250 onshore or offshore projects including iDreamsky Games, MegviiFace++, Burning Rock Dx, Kintor Pharmaceuticals and other high-quality projects. During the Reporting Period, Legend Star had nearly 20 onshore or offshore new investment projects covering different niche segments such as AI, biotech, new medical services, and new consumption. Among the projects under management, over 30 projects finished follow-on financing and 5 projects were exited.

Venture Capital



- Legend Capital managed 21 funds totally. During the Reporting Period, it newly raised the 8th USD general fund, the 2nd USD medical fund and the TMT innovative RMB fund, with a total raised amount of RMB7,877 million, and newly raised amount of RMB3,481 million.
- During the Reporting Period, Legend Capital completed 13 new project investments and exited from 22 projects, contributing a cash inflow of over RMB600 million. Besides, 6 portfolio companies were successfully listed and 1 portfolio company passed the A-share IPO review.

PE Investment



- Hony Capital managed 11 funds in total. During the Reporting Period, the cultural industry fund completed a follow-on closing, with its size close to RMB1,000 million. Hony Horizon Fund raised a new public fund with a subscribed amount of RMB404 million.
- PE funds completed 1 additional investment and exited from 12 projects; property funds completed 5 additional investments and exited from 1 project; the first public fund built its position, and the new public fund was also building position. 2 portfolio companies were listed in A-share market.

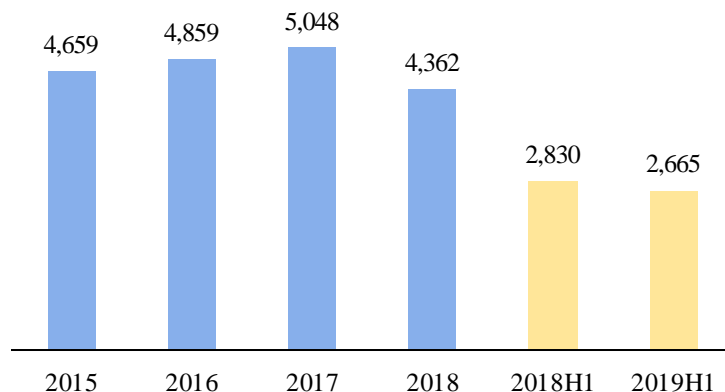
- We also hold high-end office buildings, i.e. Raycom Info Tech Park Tower A, Tower B and Tower C in Zhongguancun. As at the end of the Reporting Period, the fair value of our investment properties amounted to RMB11,334 million (excluding self-use proportions).

Section III – Financials

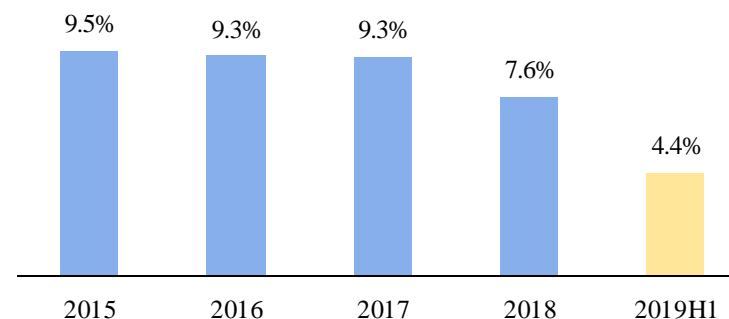
Profit Structure

Net profit attributable to equity holders of the Company

(RMB million)



Return on equity (unannualized)



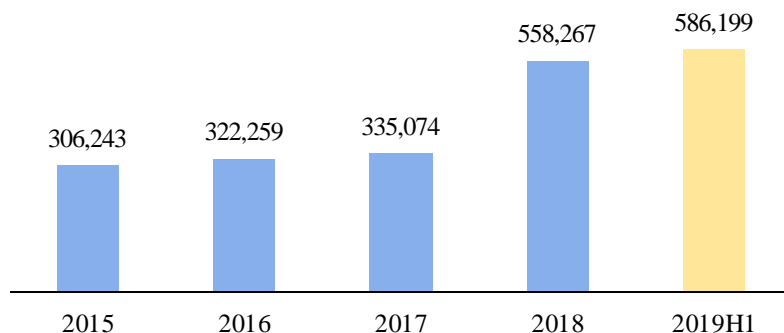
Breakdown of net profit attributable to equity holders of the Company

RMB million	2019H1		2018H1	
IT	598	22%	231	8%
Financial services	1,043	39%	1,101	39%
Innovative consumption and services	-14	-1%	1,139	40%
Agriculture and food	112	4%	379	13%
Advanced manufacturing and professional services	236	9%	148	5%
Financial investments	1,350	51%	470	17%
Unallocated and elimination	-660	-25%	-642	-23%
Net profit attributable to equity holders of the Company	2,665	100%	2,830	100%

Capital Structure

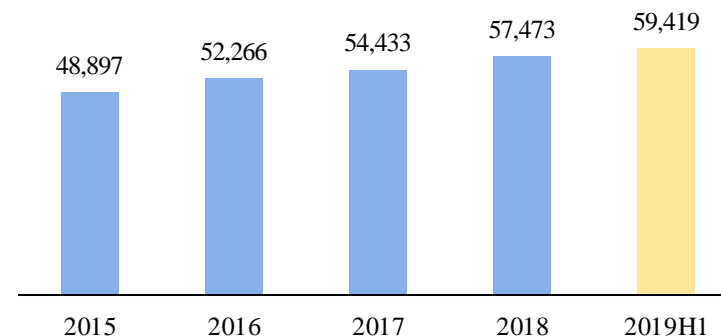
Consolidated total assets

(RMB million)

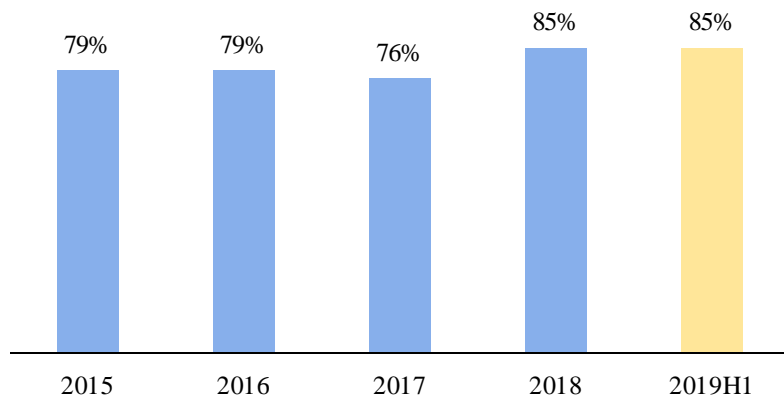


Equity attributable to equity holders of the Company

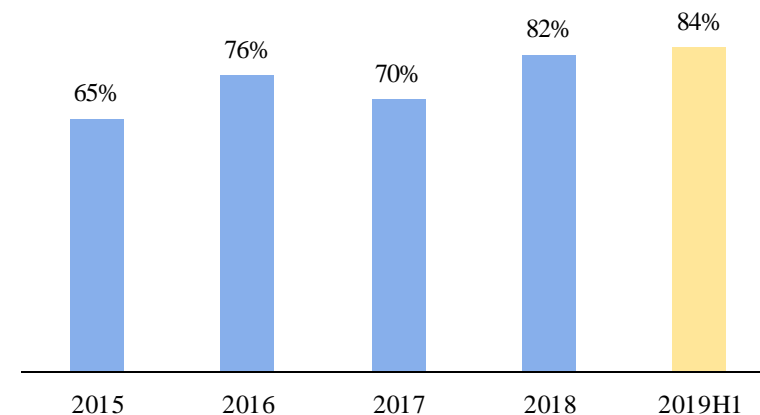
(RMB million)



Liability / asset ratio



Debt / equity ratio*

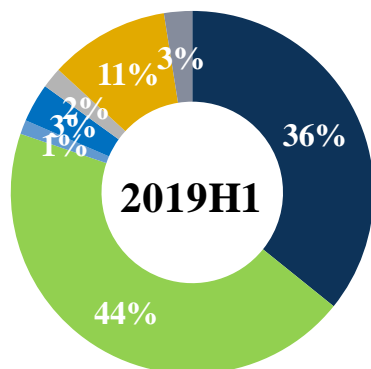


*Debt / equity ratio = net debt / consolidated equity

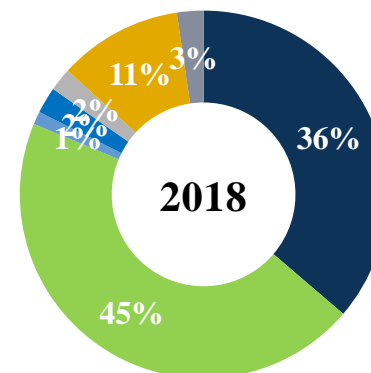
Net debt = interest-bearing liabilities – cash and cash equivalents

Capital Structure (continued)

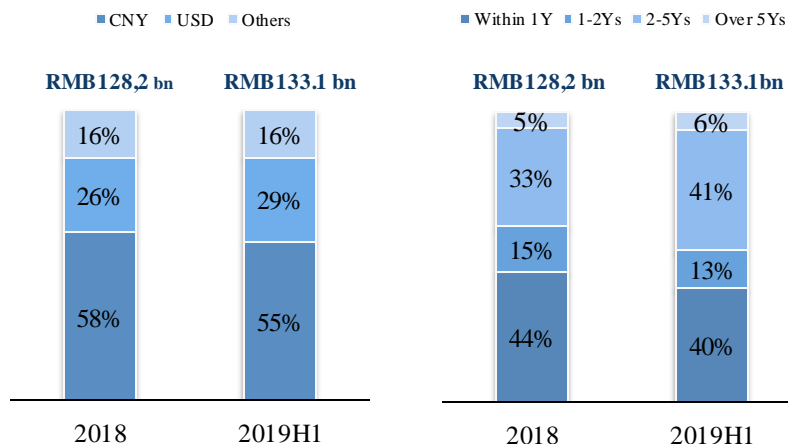
Asset allocation of the Company



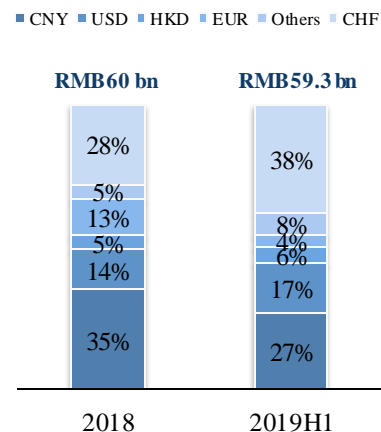
- Information Technology
- Finance
- Consumption
- Agriculture
- Manufacturing
- Financial Investments
- Unallocated & Elimination



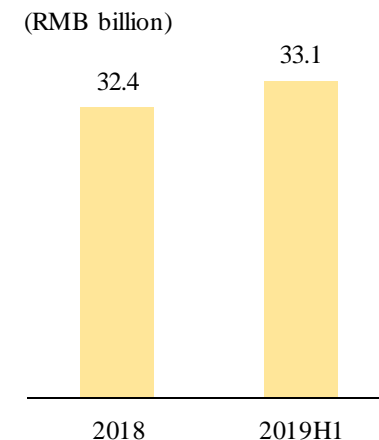
Interest-bearing liabilities



Cash & cash equivalents



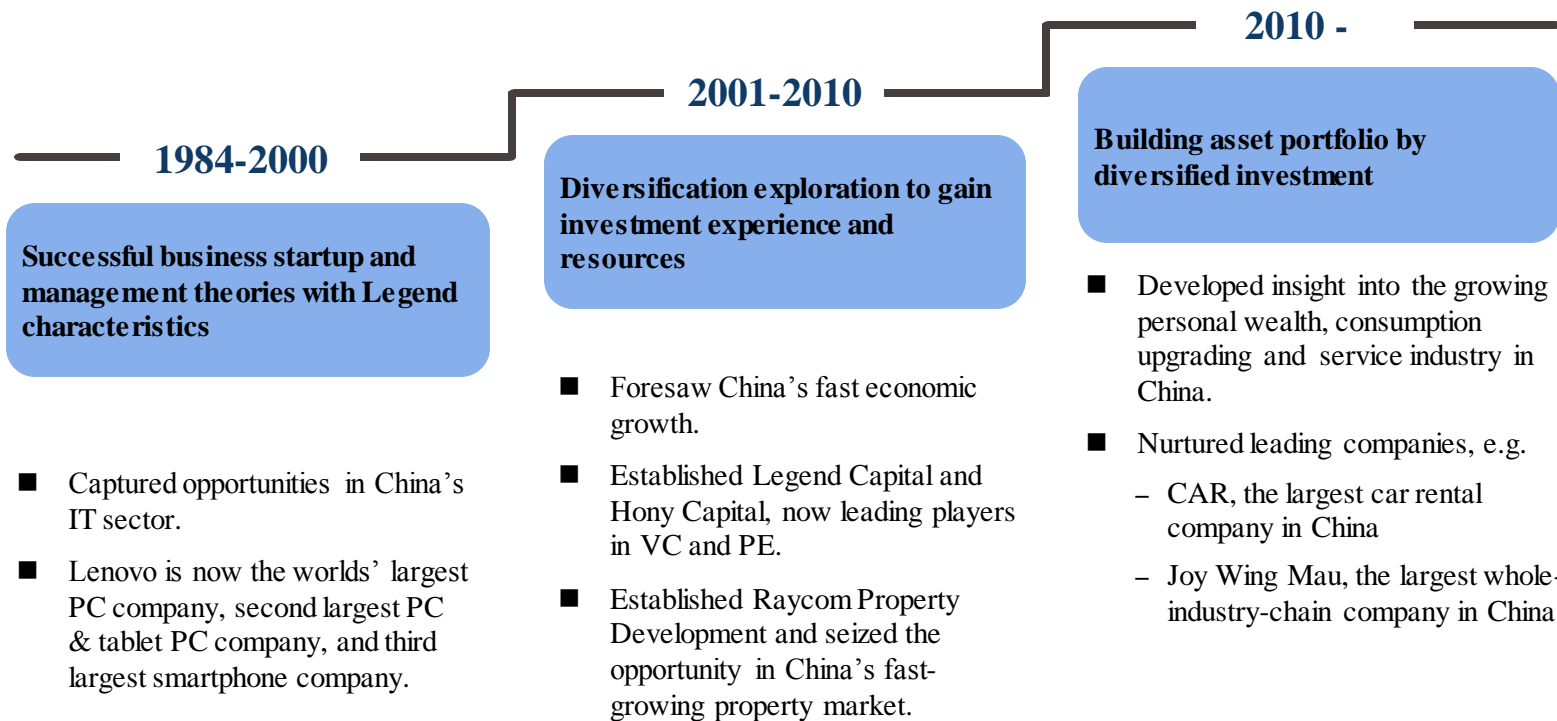
Net debt of head office



*Net debt of head office includes the debt of Legend Holdings with its platform, Right Lane Limited with its platform, and Raycom Property Co. Ltd.

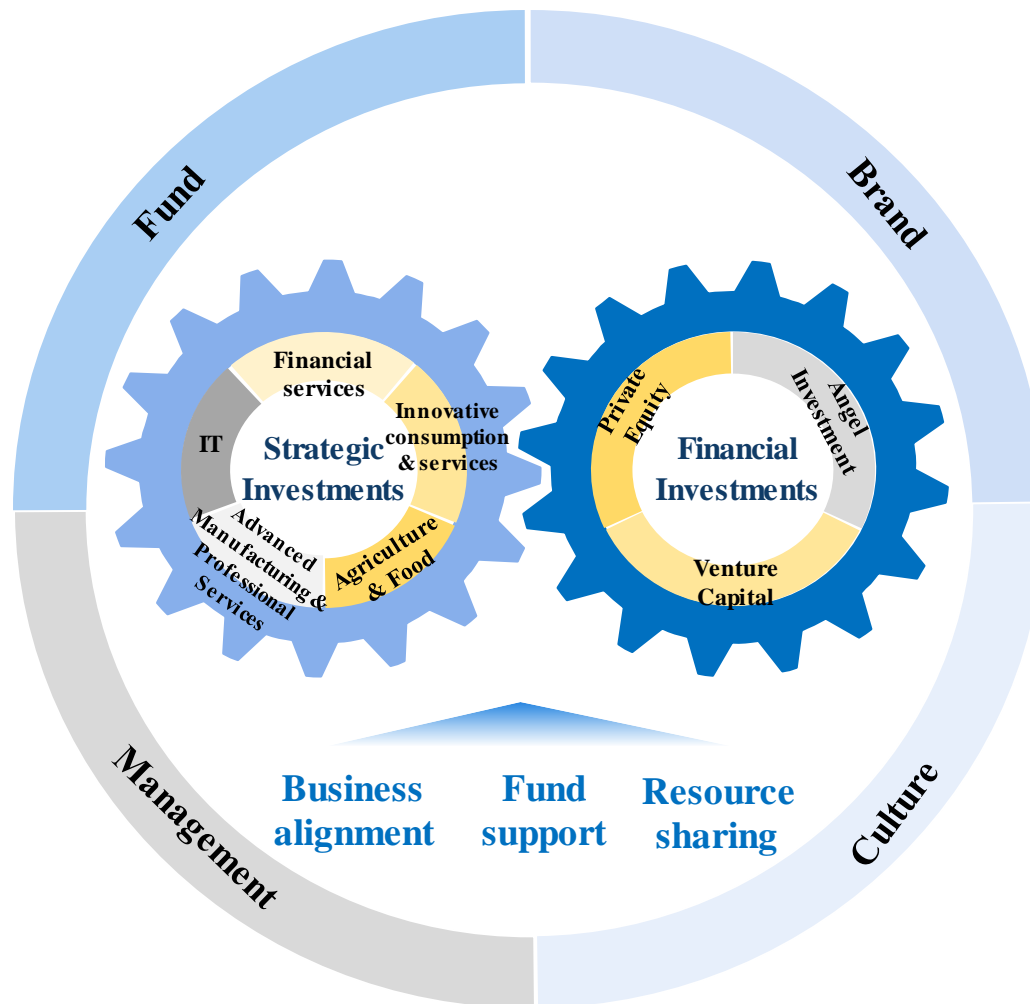
Appendix

Our History



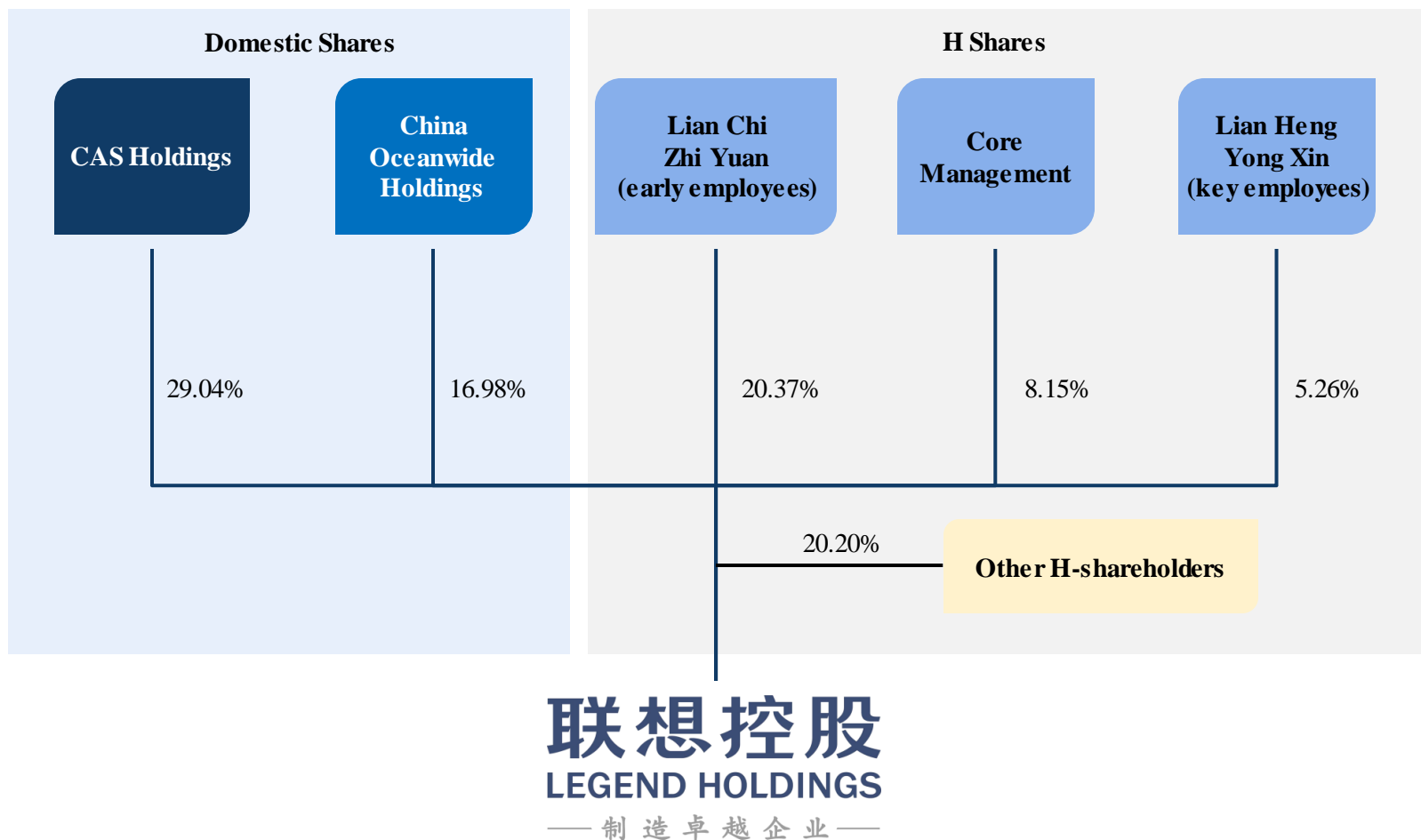
“Two-Wheel-Drive” Enables Sustainable Value Growth

- **Strategic Investments (SI)** aim at holding over the long term, focus on strategic sectors to purchase and optimize portfolio companies, and build pillar assets.
- **Financial Investments (FI)** are driven by financial returns with a proper mix of product or target portfolios.
- The close synergy between SI and FI, the two wheels, further enhance the value creation.



Shareholding Structure

- Balanced shareholding structure (including SOEs, private enterprises and the company's employees) can help mobilize resources to form a flexible an market-oriented decision-making mechanism and effective corporate governance.
- Shareholding of the core management and key employees can spur their initiative.



Thank you!

联想控股
LEGEND HOLDINGS
— 制造卓越企业 —